BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.

Rulemaking 16-02-007 (Filed February 11, 2016)

REPLY COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON PROPOSED DECISION ON THE 2019-2020 ELECTRIC RESOURCE PORTFOLIOS TO INFORM INTEGRATED RESOURCE PLANS AND TRANSMISSION PLANNING

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Regarding 2019-2020 Electric Resource Portfolios to Inform Integrated Resource Plans and Transmission Planning, mailed in the Integrated Resource Planning (IRP) proceeding, Rulemaking (R.) 16-02-007, on February 21, 2020. These Reply Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure.

I. REPLY COMMENTS

CEERT agrees with other parties, including Southern California Edison (SCE), Green Power Institute (GPI), California Energy Storage Alliance (CESA), Protect Our Communities (POC), and GridLiance West LLC, that RESOLVE is the incorrect type of model to be used as the foundation for the reference system plan (RSP).¹

As a result of RESOLVE's limitations, the Commission has settled on a 46 million metric ton (MMT) greenhouse gas (GHG) emission target. CEERT and numerous parties, including but not limited to California Efficiency + Demand Management Council (the Council), Defenders of

¹ Opening Comments of SCE, at pp. 6-8; Opening Comments of GPI, p. 3; Opening Comments of CESA, at pp.12-15; Opening Comments of POC, at pp. 2-9; and Opening Comments of GridLiance West LLC, at pp. 2-8.

Wildlife (DOW), Environmental Defense Fund (EDF), Natural Resources Defense Council (NRDC), Joint CCAs, POC, and UCS, believe that the 46 MMT target is too high, and support the position that the Commission should adopt the 30 MMT GHG planning target.² Furthermore, CEERT agrees with Southern California Edison (SCE) that "a 46 MMT GHG planning target does not enable the State's electric sector to reasonably plan to achieve California's decarbonizing goals"³. Mirroring CEERT's own opening comments, NRDC makes the point that the "Commission's own analysis indicates that the 30 MMT scenario is most aligned with SB 100's 2045 goal of a zero-carbon electricity sector."⁴

CEERT agrees with UCS that "due to the inaccuracies in GHG accounting with the Commission's modeling tools, the 46 million metric ton (MMT) portfolio will likely produce emissions outside of the CARB range." While the language of the Proposed Decision suggests that the 46 MMT GHG emission scenario is within the prescribed California Air Resources Board (CARB) range, NRDC mentions that this scenario is:

"unlikely to fall within CARB emission range... because (1) the actual modeled 2030 emissions estimates are 51 MMT (not 46 MMT), only 3% under the upper limit of CARB's range, and (2) the high uncertainty associated with forecasting emissions means that the actual emissions in 2030 from the RSP would likely fall outside CARB's upper limit – 53 MMT."

Therefore, Sierra Club and California Environmental Justice Alliance (CEJA), in addition to the American Wind Energy Association California Caucus (AWEA-CC), are correct that a 46 MMT

² Opening Comments of the Council, at p.2; Opening Comments of DOW, at p.3; Opening Comments of EDF, at pp. 2; Opening Comments of NRDC, at p. 1; Opening Comments of Joint CCAs, at p. 1; Opening Comments of POC, at pp. 9; Opening Comments of UCS, at pp. 2-4.

³ Opening Comments of SCE, at pp. 4-6.

⁴ Opening Comments of NRDC, at p. 4.

⁵ Opening Comments of UCS, at p. 3.

⁶ Opening Comments of NRDC, at p. 2.

target will not satisfy the statutory requirements of the Commission under Senate Bill (SB) 350 and SB 100.7

CEERT agrees with the Sierra Club and CEJA that the Proposed Decision "must ensure that any new fossil procurement is contained to only resources that will not result in more GHGs such as energy storage projects that decrease GHG emissions and projects that increase the efficiency or capability of existing units". Along with the Council and Eagle Crest Energy, CEERT is extremely concerned that the Proposed Decision allows for the continuing presence of carbon-emitting resources in the portfolio, which in turn disincentivizes investment in cleaner technologies.

CEERT agrees with NRDC that "adopting the 46 MMT scenario... would either result in non-compliance with SB100's zero carbon mandate, or in inefficient and costly procurement that raise costs for California's utility customers." Furthermore, NRDC correctly states that "starting down the path to a zero-carbon grid now will ensure that longer lead-time resources, such as offshore wind and long duration storage, are developed in a timely manner to be able to meet SB100's 2045 requirements." The Proposed Decision must encourage deep decarbonization efforts and innovation in the electricity sector to put California on the most cost-effective path to reach our climate goals.

Of utmost concern to CEERT is the fact that the Proposed Decision prevents load serving entities (LSEs) from filing a more aggressive emission reduction plan past the "Conforming

⁷ Opening Comments of Sierra Club and CEJA, at p. 2; Opening Comments of AWEA-CC, at p. 3-4.

⁸ Opening Comments of Sierra Club and CEJA, at p. 9.

⁹ Opening Comments of California Efficiency + Demand Management Council, at p. 2; Opening Comments of Eagle Crest Energy, at p. 5.

¹⁰ Opening Comments of NRDC, at p. 4.

¹¹ Opening Comments of NRDC, at p. 5.

Portfolio."¹² The Commission should modify the Proposed Decision to, instead, encourage all LSEs to file plans that are more aggressive than the RSP, stating their justification for the additional investments. Furthermore, the Commission should require that the plans filed should be <u>at least</u> sufficient to meet the LSEs' load ratio share of the RSP, with monetary repercussions if they fall short.

Finally, CEERT supports the sentiments made by Vote Solar (VS), Large-Scale Solar Association (LSA), and Solar Energy Industries Association (SEIA) that "adoption of the 2019-2020 RSP should be delayed to allow for modeling of a 30 MMT GHG planning target" 13. Furthermore, the Commission should direct the California Independent System Operator (CAISO) to study a "success scenario" that contains a high ratio of distributed energy resources (DER), 50% load growth to account for high electrification of transportation and buildings including long lead transmission expansion to deliver this energy from non-fossil sources to load centers 14, aggressive measures to mitigate capacity expansion (robust EV charging management, a considerable amount of thermal storage for building space conditioning, etc.), and incorporates technologies originally excluded in RESOLVE's capacity modelling, such as offshore wind, advanced geothermal with minerals recovery, hydrogen and renewable natural gas (RNG). This study would not authorize procurement, but rather lay out a path to success.

II. CONCLUSION

CEERT respectfully urges the Commission to delay the adoption of the Proposed

Decision, and instead collaborate with the other state agencies to discuss necessary changes in

planning assumptions to be more in line with California's broader climate goals. This includes

¹³ Opening Comments of VS, LSA, and SEIA, at pp. 2-5.

¹² Proposed Decision, at p. 52.

¹⁴ Opening Comments of Western Grid Development, LLC at p.3

encouraging more aggressive planning from the LSEs, as well as facilitating a multi-agency, multi-discipline study to provide a realistic vision of California's future and to determine the major focus of the IRP for the next year.

Respectfully submitted,

March 17, 2020

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